

NIH POLICY MANUAL

55201 CHANGE OF GRANTEE ORGANIZATION
ISSUING OFFICE: OPERA/OER 435-0949
Release Date: 12/15/2000

1. **Explanation of Material Transmitted:** This chapter is being revised to reflect the policy and procedural changes that are to be used by NIH awarding units to effect a change of grantee institution. Specifically, this update includes reference to modular applications.
2. **Filing Instructions:**

Remove: NIH Manual 5201 dated 08/15/99 in its entirety

Insert: NIH Manual 5201 dated 12/15/00
3. **Distribution:** Text is available on-line. See the last bullet on this page for on-line information.

PLEASE NOTE: For information on:

- **Content of this chapter,** contact the issuing office listed above.
- **NIH Manual System,** contact the **Division of Management Support, OMA, OA,** on 496-2832.
- **on-line information, enter this URL:** <http://www3.od.nih.gov/oma/manualchapters/>

CHANGE OF GRANTEE ORGANIZATION

A. Purpose:

This issuance states the NIH policy and procedures to be used by NIH awarding units to effect a change of grantee institution. The two basic principles upon which this policy is based are: (1) funds relinquished by one grantee may be re-awarded to a new grantee even if the appropriation from which they originated has expired; and (2) in certain circumstances, an award may be made to a replacement or new grantee without recompetition.

B. Applicability:

This policy applies to all NIH discretionary projects and cooperative agreements, hereinafter, referred to as grants. A training grant (Institutional National Research Service Award), a research resource, program project, center grant, or construction grant may be transferred only under unusual circumstances and generally be approved only when all of the permanent benefits attributable to the original grant can be transferred. This policy is not applicable to certain awards to individuals or to transfers of grants to or between foreign institutions.

C. References:

1. Code of Federal Regulations, Title 42 - Public Health, Part 52
2. Code of Federal Regulations, Title 45 - Public Welfare, Part 74.30 through 74.37, Property Standards
3. PHS Grants Administration Manual Part 131, Change of Grantee Institution
4. PHS Grants Administration Manual Part 129, Grant Suspension and Termination
5. NIH Grants Manual Chapter 4104, NIH Research Grants Involving Foreign Institutions and International Organizations
6. NIH Grants Manual Chapter 5205, Successor in Interest and Name Change Agreements
7. Modular Grant Application Guidelines <http://grants.nih.gov/grants/funding/modular/modular.htm>

D. Definitions:

1. Change of Grantee Institution - A process whereby the legal and administrative responsibility for administering a grant-supported project or activity is transferred from one eligible, qualified grantee to another prior to the ending date of the approved competitive segment.
2. Successor in Interest - A process whereby the rights and obligations to an NIH grant or grants are acquired incidental to the transfer of all of the assets of the grantee or all of that part of the assets involved in the performance of the grant. Such a transfer may result from legislative or other legal

CHANGE OF GRANTEE ORGANIZATION

actions such as a merger, divestiture, or other corporate change. This chapter does not address the specifics or procedures associated with processing this type of action.

3. Name Change - An action whereby the name of an organization is changed without otherwise affecting the rights and obligations of the parties involved (such an action is not considered to be a Change of Grantee Institution). This chapter does not address the specifics or procedures associated with processing this type of action.
4. Relinquishment - A process whereby a grantee institution willingly waives all interests and rights to a grant supported project or activity.
5. Termination - Permanent withdrawal of a grantee's authority to obligate grant funds, including the voluntary relinquishment of that authority by the grantee.

E. Policy:

1. Disposition of a Funded Grant:

a. General principles and conditions:

The NIH awarding unit may approve the use of current or prior year funds originally obligated, but unexpended to affect a transfer of a funded project provided:

- the necessary documentation is submitted and approved;
- there remains a need for the project;
- the research objectives have not significantly changed from those previously approved;
- the facilities and resources at the new institution will allow for successful completion of the project; and
- the change of grantee action meets all other applicable requirements of this policy.

If a proposed change of grantee action does not clearly meet the programmatic and administrative requirements, the NIH awarding unit may require that the application receive a competitive review in accordance with the usual peer review procedures. For example, this would be necessary if a significant change in scope is requested. If a competitive review results in award, the support should be funded using current fiscal year monies.

The appropriate NIH awarding unit must be notified by the principal investigator and the business official of the grantee institution when the principal investigator/program director of an NIH-supported research project expects to resign from a grant and/or the grantee institution. This notification should occur prior to the actual date of resignation and preferably several months in

CHANGE OF GRANTEE ORGANIZATION

advance. The awarding unit may approve either of the options detailed below for continued support of a grant. Funding will be terminated if neither option is proposed or approved and closeout procedures should be followed.

A project [except for Career Development Awards (K)] may be retained at the original grantee institution under the direction of another principal investigator;

OR

The remainder of a competitive segment may be supported at a new institution on behalf of the same principal investigator transferring between two domestic institutions or from a foreign institution to a domestic institution without competitive review.

When a change of grantee is contemplated, the NIH awarding unit should advise the original institution to maintain a reasonable spending pattern so that continued support at a proposed new institution will not be adversely affected. Furthermore, the original grantee should be advised that relinquishment of a project does not guarantee Institute or Center (IC) approval of a transfer application for the continued funding of a project.

b. Length of Award:

A transfer of a budget/project period may be made for a length of time generally not to exceed the total length of time remaining in the competitive segment. There are occasions, however, when it is appropriate to provide a length of time in excess of that originally remaining. For example, a principal investigator may request a no-cost extension of the grant year being transferred in order to accomplish the originally approved goals. This type of request will be acted upon on a case-by-case basis by the particular IC and the official file will be documented accordingly. Care should be exercised to avoid multi-year funding.

c. Funding Level:

The direct cost level for a transfer occurring within an awarded budget period will be based on the direct costs remaining from the original grantee as reflected on the relinquishing documentation. For both modular and non-modular awards, the direct cost level for a transfer occurring on an anniversary date will be based on the previously committed level for that year. The applicable F&A rate will be applied to the direct cost level. On a case-by-case basis, an IC may approve administrative increases to the previously recommended levels.

d. Termination:

When a grant is terminated either by mutual consent or unilaterally by the grantee, the awarding unit should request a written statement from the original grantee relinquishing its interests and rights to the grant.

An IC may terminate a grant unilaterally (after obtaining approval from the NIH Director) during the course of a budget period for failure of a grantee to comply with terms and conditions of the grant.

CHANGE OF GRANTEE ORGANIZATION

In this case, the NIH awarding unit would not consider a replacement principal investigator. If the grantee will not provide a written statement relinquishing interests and rights to the original grant, no action may be taken by the NIH affecting the original grant until the original grantee institution has exhausted or forfeited its appeals rights. However, a limited replacement grant may be awarded to a replacement institution using funds out of the current year appropriation, while the original grantee is appealing the grant termination action. A limited replacement grant may be appropriate if disruption of project activities would either seriously jeopardize the success of the project; or endanger the physical or mental health of the persons served by the project. The replacement grant may be made for a single budget period of no more than 18 months duration (this would not require approval for multi-year funding), after which time the replacement institution must compete for support.

2. Disposition of an Unfunded Grant Application:

When a principal investigator leaves an institution and a pending application has been recommended for further consideration but has not been awarded, the original applicant institution may request that the project be supported at that institution on behalf of another principal investigator. Alternatively, the original applicant may relinquish the application and a request may be made to support the project at a new institution under the direction of the originally proposed principal investigator. If neither option is pursued, the application is administratively inactivated.

3. Facilities and Administrative (F&A) Costs:

The negotiated F&A rate in effect at the new institution should be used to calculate the F&A for all remaining budget periods of a transfer grant. See section G.5 for specific procedures.

4. Changes Involving a Foreign Institution:

In accordance with NIH policy, administrative approval may not be given for a change involving a transfer to or between foreign institutions. An investigator transferring to or between foreign institutions is required to submit a competing application from the new institution. This application will be reviewed as a new application and must compete for available funds. A grant made to a foreign institution may be administratively transferred to a domestic institution. However, this will result in the need to include F&A costs, which were not originally part of the award to a foreign entity.

5. Transfer of a Small Business Innovation Research Program (SBIR) or Small Business Technology Transfer (STTR) Grant:

In accordance with NIH policy, administrative approval may not be given for proposed transfers from an SBIR/STTR grantee to a non-SBIR/STTR eligible organization. This prohibition may not be waived. SBIR/STTR grants may, however, be administratively transferred between two SBIR/STTR eligible organizations.

CHANGE OF GRANTEE ORGANIZATION

6. Changes Involving an Academic Research Enhancement Award (AREA) grant:

In accordance with NIH policy, AREA grants may only be transferred to other AREA eligible institutions.

7. Other Changes in Location or Institutional Sponsorship:

a. Relocation in the same university system:

If a research project is transferred from one “campus” to another within the same university system and there is a change in administrative responsibility and a corresponding change in the Entity Identification Number (EIN), the move should be considered a Change of Institution and be subject to the procedures stated in this document.

b. Grantee reorganization:

If the grantee institution undergoes a reorganization (e.g., a name change or successor in interest), the awarding unit should be notified and advice sought concerning the effect on active or pending grants at that institution. If the reorganization or administrative change does not affect actual administrative responsibility, geographic location, facilities, resources, or objectives of the project, it will NOT be considered a change in institution and no formal application for a change of project support will be required.

8. Transfer/Disposition of Equipment, Supplies and Data:

a. Equipment:

As reflected in 45 CFR Part 74.2, the definition for equipment means tangible nonexpendable personal property, including exempt property, charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A list of equipment reflected in the Relinquishing Statement, as being transferred to the new grantee, should include equipment purchased on the project and still in use, using the equipment dollar threshold as set by this definition.

Unless there are overriding terms of award, title to equipment acquired by a recipient with NIH funds shall vest in the recipient, subject to the conditions under 45 CFR 74.34.

b. Supplies:

Title to supplies shall vest in the recipient upon acquisition. Generally, the transfer of supplies is negotiated between the principal investigator and the original grantee. IC involvement is rare. Disposition instructions are detailed in 45 CFR Part 74.

c. Data/Inventions:

CHANGE OF GRANTEE ORGANIZATION

Grantees will retain custody of and primary rights to the data, including software, developed under an award, subject to current Government policies regarding rights of access as contained in 45 CFR Part 74.53. If an inventor moves to a new organization, the rights to existing patents usually remain with the former organization, although the inventor remains entitled to a share of the royalties. For specific details, see the NIH Grants Policy Statement, and 45 CFR Part 74.

CHANGE OF GRANTEE ORGANIZATION

F. Required Documentation *:

SITUATION	ORIGINAL INSTITUTION	NEW INSTITUTION
<p>1. Replacement of Principal Investigator</p> <p>PI moves and original institution requests approval to retain an awarded or unfunded grant under the direction of a new principal investigator.</p>	<ul style="list-style-type: none"> Submission of a countersigned letter (authorized by the business official and new proposed principal investigator). The letter must include a biographical sketch of the new principal investigator and other revised application pages as determined by the awarding unit. 	<ul style="list-style-type: none"> N/A
<p>2. Transfer of an Unfunded Project</p> <p>PI moves and there is an NIH approved application that has not been funded. PI requests approval to support the project at a new institution.</p>	<ul style="list-style-type: none"> Submission of an Official Statement Relinquishing Interest and Rights to a PHS Grant (PHS Form 3734) or a formal countersigned letter in lieu of this form relinquishing rights to the grant application. This information is available electronically at http://grants.nih.gov/grants/phs3734.pdf. 	<ul style="list-style-type: none"> Submission of an original and two copies of transfer application pages (PHS Form 398, available electronically at http://grants.nih.gov/grants/funding/phs398/phs398.html) with CHANGE OF INSTITUTION typed across the top of the face page. The application must include but is not limited to: <ul style="list-style-type: none"> a face page; budget pages (current and future years); an updated biographical sketch; a statement indicating whether the overall research plans/aims have changed from the original submission (including the date of the original submission). If the research plans/aims have changed, updated information must be provided. If there are no changes, additional information is not necessary. an updated other support page(s), if necessary; a resources page; a checklist page; and an approved IRB/IACUC, assurance, if applicable.

CHANGE OF GRANTEE ORGANIZATION

*All documentation should be submitted directly to the Grants Management Specialist.

F. Required Documentation (cont.) *:

SITUATION	ORIGINAL INSTITUTION	NEW INSTITUTION
<p>3. Transfer of Active Grants</p> <p>- Anniversary Date Transfer PI requests that the next full year of funding be supported at a new institution.</p> <p>- Partial Year Transfer PI requests transfer of a project to a new institution during the course of a budget period.</p>	<ul style="list-style-type: none"> Submission of a Relinquishing Statement (PHS Form 3734, available electronically at http://grants.nih.gov/grants/phs3734.pdf) or formal countersigned letter in lieu of this form. For a PARTIAL YEAR TRANSFER, the documentation must include an estimate of the unexpended balance (direct costs and F&A) from current year funding (carry-over funds from a previous budget period should not be included) that is expected to remain at the termination date. If equipment was purchased under the grant and is to be transferred, the relinquishing documentation must include a list. Submission within 90 days of the termination date: <ul style="list-style-type: none"> a Final Invention Statement and Certification (PHS Form 568), available electronically at http://137.187.120.232/hhs568.pdf) and a final Financial Status Report (Standard Form 269, available electronically at http://grants.nih.gov/grants/fsr-sf269_long.pdf). <p>For an eligible grant, the Financial Status Report (FSR) may reflect automatic carry-over to the new institution. Prior approval of the awarding unit must be</p>	<ul style="list-style-type: none"> Submission of an original and two copies of transfer application pages (PHS Form 398) with CHANGE OF GRANTEE INSTITUTION typed across the top of the face page. The application must include but is not limited to: <p>For a non-modular application, the following is required:</p> <ul style="list-style-type: none"> a face page ; budget pages (current and future years); an updated biographical sketch ; an updated other support page(s), if necessary; a resources page; a checklist page; <p>For a modular application, the following is required:</p> <ul style="list-style-type: none"> a face page narrative budget information, including annual total direct costs and F&A costs biographical sketches for key personnel other support pages resource page checklist page if future budget periods remain, include information regarding the number of modules and the basis for computing F&A costs for an ANNIVERSARY DATE TRANSFER, a progress report for the current year, including a statement regarding the goals for the upcoming year; for a PARTIAL YEAR TRANSFER, an updated current progress report if determined to be needed by the IC. If

CHANGE OF GRANTEE ORGANIZATION

	obtained for use of an unobligated balance that is not reported as automatic carry-over.	<p>required, this should include a statement regarding the goals for the upcoming year;</p> <ul style="list-style-type: none"> - a statement indicating whether the overall research plans/aims have changed since funding of the most recent competing application (including the date on that application submission). If the research plans/aims have changed, updated information must be provided. If there are no changes, additional information is not necessary; - an approved IRB/IACUC assurance, if applicable. <p>If the move includes the transfer of equipment purchased with grant funds, the application must include a detailed list. This list, as part of the transfer application, is an acceptance of title by the new institution. [This is the same list contained in the Relinquishing Statement.]</p>

***All documentation should be submitted directly to the Grants Management Specialist.**

F. Required Documentation (cont.) *:

SITUATION	ORIGINAL INSTITUTION	REPLACEMENT INSTITUTION
4. Mutual Termination or Termination of Project by the Grantee	<ul style="list-style-type: none"> • Submission of a Relinquishing Statement (PHS Form 3734) or a letter confirming the termination date for the project. • Submission within 90 days of the termination date: <ul style="list-style-type: none"> - a Final Invention Statement (PHS Form 568); - a final Financial Status Report (Standard Form 269), and - a final Progress Report 	<ul style="list-style-type: none"> • N/A
5. Unilateral Termination by the NIH The original grantee does not relinquish the project and a temporary replacement is awarded, see E.1.b.		<ul style="list-style-type: none"> • Submission of an original and two copies of completed replacement application pages (PHS Form 398) with REPLACEMENT GRANTEE INSTITUTION typed across the top of the face page. • The replacement application must include but is not limited to: <ul style="list-style-type: none"> - a face page reflecting a requested single budget period of up to 18 months (this would

CHANGE OF GRANTEE ORGANIZATION

		<p>not require approval for multi-year funding);</p> <ul style="list-style-type: none">- a budget page based on figures provided by the IC; (only annual direct costs, F&A costs and budget narrative if modular)- budget figures for the remainder of the project period (if modular, given only as narrative, reflecting direct and F&A. costs)- biographical sketches for key personnel;- an updated current progress report if determined to be needed by the IC;- a discussion and detailed information regarding the specific goals for the proposed upcoming period of support in relation to the research plans/aims originally approved;- other support page(s),- a resources page,- a checklist page; and- an approved IRB/IACUC, assurance, if applicable.
--	--	---

***All documentation should be submitted directly to the Grants Management Specialist.**

CHANGE OF GRANTEE ORGANIZATION

G. Procedures:

1. Designation and assignment of a transfer application:

- a. For a transfer occurring prior to a Type 1 award, the application will receive a new Type 1 grant number. A competing continuation application (Type 2 or Type 9) transferring at the time of funding maintains the originally assigned designation. In addition, the root grant number and year remain the same.

A non-competing continuation transfer occurring during a budget period or on an anniversary date will reflect a Type 7 designation and the root grant number will remain the same. Retention of the same grant number ensures reporting continuity. For a partial year Type 7, the grant year advances by one and the alpha suffix of the document number advances to the next letter. The transfer of a grant on an anniversary date will reflect the grant year originally recommended and the alpha suffix of the document number will advance to the next letter. The following example illustrates these points.

Grant Number	Document Number	Entity Number
1 R01 CA12345-01	R1CA12345A	1938006492A1
7 R01 CA12345-02	R1CA12345B	1486135902A1
5 R01 CA12345-03	R1CA12345B	1486135902A1

- b. The awarding unit will forward a revised face page, budget page(s) and relinquishing documentation to the Division of Extramural Information Systems, Office of Policy for Extramural Research Administration, for all non-competitive transfers. These pages will also be submitted to this unit for a pending Type 2 or Type 9 application when the transfer occurs subsequent to Initial Review Group (IRG) review. They will update the IMPAC System to reflect a new institution.

For a transfer of a pending Type 1 application, the awarding unit will forward a revised face page, budget page(s) and relinquishing documentation to the Division of Receipt and Referral, Center for Scientific Review (CSR). This unit will update the IMPAC System to reflect both a new institution and a new application grant number.

2. Fiscal Year Appropriations:

A transfer at the time of a competing award (Type 1, 2 or 9) or on an anniversary date (Type 7) will use current fiscal year appropriations. A partial year Type 7 will cite the same fiscal year funding as the award to the original grantee.

CHANGE OF GRANTEE ORGANIZATION

3. Partial Year Transfer:

a. For a partial year Type 7, a Notice of Grant Award will be issued to the new institution using the estimated unobligated direct cost balance as reported on the Relinquishing Statement. F&A costs will be awarded at the current negotiated rate. The original grantee will receive a revised decreased Notice of Grant Award based on the estimated grant expenditures through the relinquishment date. The revised award to the original grantee will also reflect revised budget/project period end dates and the deletion of any future year support.

b. When a partial year Type 7 is awarded using funds appropriated from a previous fiscal year, the revised Notice of Grant Award for deobligation of funds to the original institution should be released simultaneously with the Notice of Grant Award for obligation of funds to the new grantee.

c. A term and condition of the Type 7 Notice of Grant Award should be: IF THE UNEXPENDED BALANCE FROM THE PRIOR INSTITUTION HAS BEEN OVERESTIMATED, IT MAY BE NECESSARY TO REDUCE THE AMOUNT OF THIS AWARD.

4. Anniversary Date Transfer:

For an anniversary date Type 7, a Notice of Grant Award will be issued to the new institution reflecting the direct cost level previously committed. If the original application was submitted in the modular format, the Type 7 will be modular as well. F&A costs will be awarded at the actual negotiated rate in effect. The original grantee will receive a revised Notice of Grant Award reflecting the revised budget/project period end dates and the deletion of any future support.

5. Facilities and Administrative Costs:

As stated in Section E. 3., the negotiated F&A rate in effect at the new institution should be used to calculate the F&A for all remaining budget periods of a transfer grant. If a partial year transfer is to be funded using prior year funds and the F&A rate in effect at the new institution is higher than that originally provided, the applicable Institute/Center budget office staff must be contacted to verify availability of funds. If a transfer will require the use of current year funds and an IC does not have sufficient monies to accommodate an increase for F&A, the allocation between direct and F&A cost categories may need to be adjusted to reflect the actual F&A rate. A decision to reallocate direct costs into F&A costs should include an analysis of the impact on the research project. For recommended future years, total cost commitments should be adjusted to reflect the new F&A rate.

6. Unobligated Balances:

CHANGE OF GRANTEE ORGANIZATION

The unobligated balance reflected on the final FSR from the original grantee will be transferred to the account of the new institution by the Office of Financial Management, NIH. These funds are not automatically available as an additional authorization to the new grantee unless the final FSR reflects automatic carry-over, if allowable. The new grantee is notified by OFM in writing, with a copy to the awarding unit, concerning the availability of the unobligated balance. If automatic carry-over is not allowable or has not been reflected on the final FSR, prior approval from the awarding unit is necessary to effect a carry-over of the unobligated balance. In this case, a revised Notice of Grant Award will be issued to reflect the action.

H. Records Retention and Disposal:

All records (**e-mail** and non-e-mail) pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records," Appendix 1, NIH Records Control Schedule," Section 4000 which covers NIH Grants and Awards and Section 1100 – G which covers Advisory Councils and Committee Management. Refer to the NIH Chapter for specific disposition instructions.

NIH e-mail messages: NIH e-mail messages (messages including attachments, that are created on NIH computer systems or transmitted over NIH networks) that are evidence of the activities of the agency or have informational value are considered Federal records. **These records must be maintained in accordance with current NIH Records Management guidelines. If necessary, back-up file capability should be created for this purpose. Contact your IC Records Officer for additional information.**

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requestor. Employees' supervisors, NIH staffs conducting official reviews or investigations, and the Office of Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to members of Congress or Congressional oversight committees if requested and are subject to Freedom of Information Act requests. Since most e-mail systems have back-up files that are retained for significant periods of time, e-mail messages and attachments are likely to be retrievable from a back-up file after they have been deleted from an individual's computer. The back-up files are subject to the same requests as the original messages.

CHANGE OF GRANTEE ORGANIZATION

I. Accountability and Management Controls:

The purpose of this manual issuance is to state NIH policy and procedures to be used by awarding units to effect a change in grantee institution.

1. The Office Responsible for Reviewing Management Controls Relative to this Chapter: The Division of Grants Policy (DGP) Office of Policy for Extramural Research Administration (OPERA), Office of Extramural Research (OER), is accountable for the method used to ensure that management administration are implemented.
2. Frequency of Review: Ongoing reviews will occur as scheduled or on an ad hoc basis.
3. Method of Review: Working with the NIH Grants Management Advisory Committee (GMAC), DGP/OPERA is developing an NIH internal grants management compliance model (GMCM). The model will address: 1. The importance and expectations resulting from the formalization of roles and responsibilities in the grant award process, 2. The necessity of developing and maintaining an expert grants management staff trained and certified in a formal certification process, 3. The currency of NIH grants policies and procedures, and 4. The development of a management culture with a zero tolerance for noncompliance with established requirements.

The GMCM will contain a review component to ensure that management controls in grants management are in place. Reviews of NIH awarding components will utilize a review protocol designed for this purpose and will occur as scheduled or on an ad hoc basis as a result of specific policy, operational or I/C issues. The purpose of the reviews will be to determine, among other things, the level of compliance with established policies and procedures and to ascertain how well they are achieving their desired effects. OPERA will issue reports of findings and recommendations resulting from the reviews to I/Cs for appropriate action. Day-to-day oversight issues will be brought by NIH grants management staff to the attention of DGP/OPERA and the GMAC for discussion and resolution.

The Director, OPERA, is routinely apprised of any difficulties in the I/C implementation of policy and, may recommend additional policy guidance or training for grants management staff.

4. Review Reports are Sent to: The DDER and the Director, OPERA, OER.

Through this manual issuance the OPERA/OER is accountable for the methods used to ensure that management controls are implemented and working. The current methods used to maintain oversight and a system of internal controls ensuring effective implementation and compliance with this policy will be monitored on a continuing basis by the OPERA/OER and the Grants Management Advisory Committee.